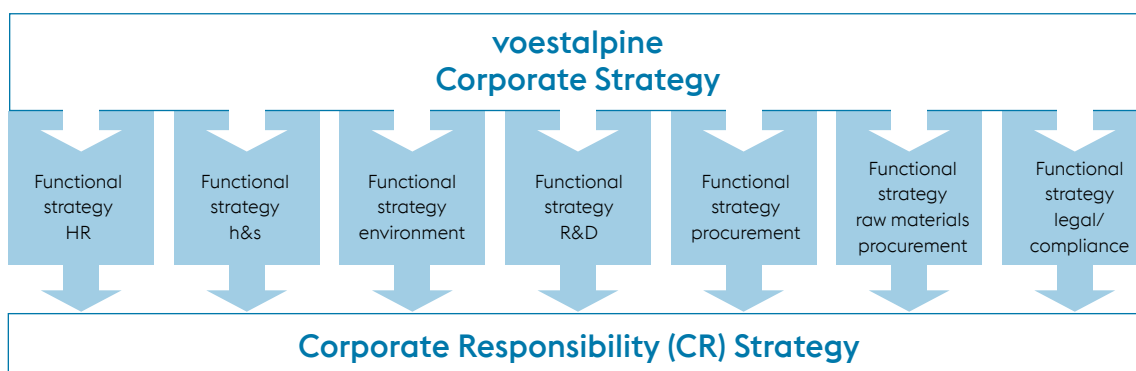


5. THE CORPORATE RESPONSIBILITY STRATEGY

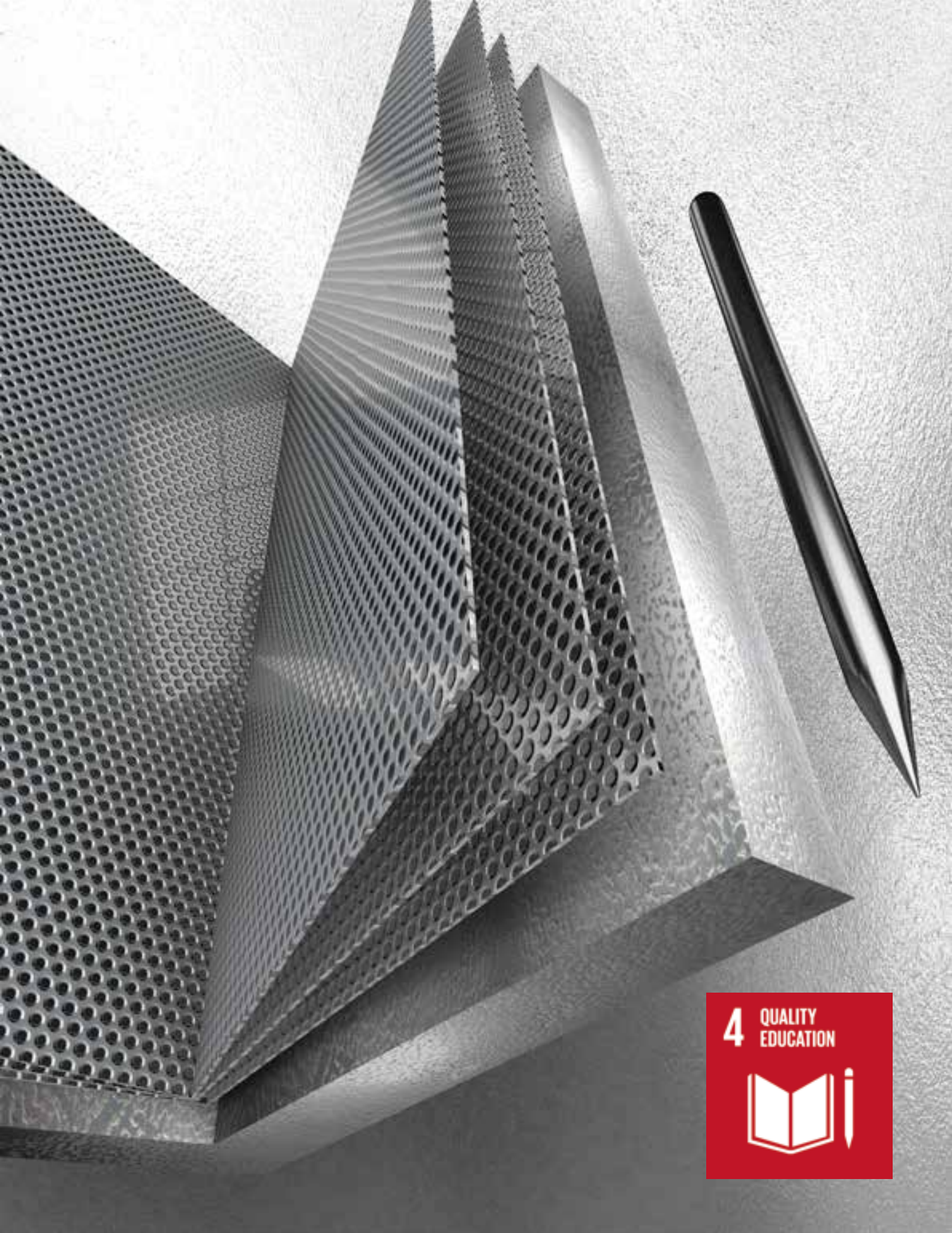
Sustainability is a key consideration in our daily activities at voestalpine. This is also reflected in the Corporate Responsibility (CR) Strategy which was updated during the past business year. It is an integral part of the Corporate Strategy and directly derived from the functional strategies. For that reason, the Management Board of voestalpine AG as well as the heads of the specialist departments were included in the process of updating the CR Strategy. After extensive coordination the updated strategy was adopted during a workshop in early 2018.



In addition to the functional strategies, various key internal and external factors were considered in drawing up the CR Strategy including employee and customer concerns, environmental issues, products and innovations, and the demands of maintaining a transparent supply chain.

CR Strategy and Sustainable Development Goals

In order to address the contribution played by voestalpine to achieving the Sustainable Development Goals (SDGs), these external sustainability goals were also considered during the process of preparing the Corporate Responsibility Strategy.



4 QUALITY EDUCATION

A red square icon containing a white graphic of an open book and a pen nib, representing quality education.

5.1 SUSTAINABLE DEVELOPMENT GOALS



The Sustainable Development Goals (SDGs) were drawn up by a United Nations working group, together with thousands of stakeholders, and adopted by a UN General Assembly resolution during the United Nations Sustainable Development Summit in New York on September 25, 2015. 193 UN member states have signed up to the 17 goals and 169 targets for global sustainable development with its specific objectives.

The SDGs were implemented as of January 1, 2016, and are designed to cover a period of 15 years (to 2030). The role of the private sector in reaching these goals was explicitly highlighted.

In its daily business activities voestalpine contributes significantly to achieving the following 12 SDGs:

- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 6: Clean water and sanitation
- Goal 7: Affordable and clean energy
- Goal 8: Decent work and economic growth
- Goal 9: Industry, innovation and infrastructure
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption and production
- Goal 13: Climate action
- Goal 16: Peace, justice and strong institutions
- Goal 17: Partnerships for the goals

5.2 THE CORPORATE RESPONSIBILITY STRATEGY

5.2.1 HUMAN RESOURCES

Corporate culture

We create a respectful corporate culture in which we support and encourage trust, diversity, self-determination, and personal responsibility. To this effect the voestalpine culture, as a symbol of our Group-wide identity, is constantly developing.

Diversity

We value the individual character of all our employees and their abilities, irrespective of gender, age, background, religion, sexual orientation, or any impairment, and create the preconditions for equal treatment, health promotion, and work which reflects the various phases of life.

Training and continuing education

Targeted measures are implemented to support voestalpine employees in gaining qualifications which will widen their career opportunities. Furthermore, we regard both the training of young people and lifelong learning as long-term determinants of the company's success.



5.2.2 health & safety

Human safety and health are key fundamental values at voestalpine and enjoy the highest priority.

We work to further reduce injury frequency, and to raise the health rate of all voestalpine Group employees, wherever they work and whatever their function.

We regard Group-wide minimum safety standards as the basis for a successful health & safety corporate culture.



5.2.3 ENVIRONMENT

Emissions in the air, soil and water: minimizing with the best available technologies

Process-related emissions cannot be entirely avoided. We operate our production sites by economically applying the best available technologies, as well as developing new ones, in order to minimize the environmental impact on the air, soil and water as far as possible.

Circular economy & Life Cycle Assessment: an integrated approach to materials

We support the comprehensive and integrated consideration and evaluation of materials (Life Cycle Assessment), as well as all processes and value chains within the context of the circular economy.

Energy and climate policy: commitment to low-carbon production

We are meeting the long-term challenge of decarbonizing business and society both through comprehensive research and development (much of it on a cooperative basis) to create new technologies, and by being involved in an open and constructive stakeholder dialogue with environmental organizations, political decision-makers, and science.



5.2.4 RESEARCH & DEVELOPMENT

We are continually researching innovative products and processes, and developing novel technologies, in order to remain the benchmark for resource efficiency and environmental standards.

We pursue active know-how management both internally and externally, and regard this as the key to success. We take on the responsibility of training and continuing to educate our researchers in-house, sharing our knowledge within the Group, and using the synergies which arise from pooling our expertise.

In the field of research we place great value in long-term, trusted relationships with our customers and suppliers, and work closely together with universities and scientific institutions.



5.2.5 GENERAL PROCUREMENT

Supplier management

When selecting its suppliers, voestalpine ensures their adherence to ecological and social principles. We have integrated sustainable supplier management into our procurement processes in order to create long-term partnerships.

Training and continuing education

With information events such as the Purchasing Power Day, and the three-stage Purchasing Power Academy established by the Group, voestalpine ensures continuing professional development is available for employees working in purchasing.

Procurement processes

The procurement process is continuously optimized in order to ensure its compliance. The Code of Conduct forms the basis for social actions and decisions.



5.2.6 RAW MATERIALS PROCUREMENT

An integrated approach to lifecycle concepts

Applying a lifecycle approach (Closed Loop) together with our customers guarantees the highest levels of efficiency in the process of recycling our raw and reusable materials.

Suppliers

Together with our suppliers we have set ourselves the challenge of permanently optimizing our supply chains. Regular visits to the sources of raw materials and prematerials, especially mines and deposits, are a fixed element in this process. Together we develop methods for designing an efficient supply chain which meets the CR guidelines. New suppliers are assessed in terms of CR, quality, performance, and—depending on the outcome—included in the portfolio. The project SSCM (Sustainable Supply Chain Management) screens our raw material supply chains, examining the key factors which determine compliance with corporate responsibility. voestalpine ensures that all raw materials are subject to this process, thereby minimizing risk over the long term.

Conflict Minerals

We oblige all suppliers from whom we source materials and who are subject to the Dodd-Frank Act to operate in accordance with its provisions. A cfsi report ensures that all materials procured on behalf of the Group are "conflict free".

Securing supplies

A key task of raw materials procurement management is to secure the long-term, competitive supply of raw materials and energy. A high degree of integration into upstream and downstream processes, scenario planning, and adaptive supply concepts serve to minimize potential risks.



5.2.7 ETHICAL CORPORATE MANAGEMENT–LEGAL & COMPLIANCE

Ethical corporate management

In order to ensure that the management and control of the Group follows the goal of creating responsible, sustainable and long-term value, the Management Board and Supervisory Board announced that the Group would abide by the Austrian Corporate Governance Code as early as 2003.

Compliance

We commit to complying with all the laws in all of the countries in which voestalpine is active. Furthermore, compliance is the expression of a culture built on ethical and moral principles.

Human rights

We commit to upholding human rights in accordance with the UN Charter and the European Convention of Human Rights, and we support the UN Global Compact.

